



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

Western-Pacific Region  
Los Angeles Airports District Office

P.O. Box 92007  
Los Angeles, CA 90009-2007

January 26, 2007

The Honorable Jim Wood  
Mayor  
City of Oceanside  
300 N. Coast Highway  
Oceanside, CA 92054

Dear Mayor Wood:

It is our understanding that on November 1, 2006, by a vote of 4-1, the City Council accepted the findings of the October 12, 2006 *Airport Economic Study* and the associated Public Works Department staff recommendations (staff memorandum) dated October 13, 2006. We also understand that as a result of the vote, the City plans to keep the Oceanside Municipal Airport (Airport/OKB) open for 15 to 20 years, build new hangars on the south side of the property, and pursue non-aeronautical commercial development on certain parcels of airport property located on the north side of the Airport. With this letter, we would like to take this opportunity to clarify the Federal Aviation Administration's (FAA) position on this important matter, especially with regard to the erroneous assumption that the Airport may close in 15 to 20 years.

The 50-acre Oceanside Municipal Airport is an extremely valuable aviation asset for the local area, the San Diego region, southern California, and the national system of airports. This important general aviation airport, with its 3,200-foot runway, 85 based aircraft and over 35,000 annual operations, has been developed and improved with Federal assistance. This assistance, in the form of Federal Aviation Administration (FAA) Airport Improvement Program (AIP) funds, totals approximately \$4 million.

Upon acceptance of these AIP grants, the City agreed to specific Federal obligations, including the commitment to keep the Airport open and make it available for public use as an airport. Because airport property (approximately 22 acres) was acquired with AIP funds, the City's Federal obligations do not expire in 20 years, as assumed in the economic study and staff recommendations. The obligation to keep the Airport open as an airport does not expire, since there is no limit on the duration of the obligations with respect to real property acquired with federal funds.

This erroneous assumption is a disincentive to airport development, because prospective tenants and investors will assume the Airport will close in 15 to 20 years. Choosing not to accept additional AIP funds or making an offer to repay past AIP grants will not change the City's Federal obligations to keep the Airport open indefinitely. In addition, the 22-acre acquisition was made expressly for airport development. Therefore, this land must be used for airport purposes and is not available for non-aeronautical purposes.

The FAA has only rarely granted a sponsor a release from its Federal obligations sufficient to allow for the closure of an airport, and then only

in very unusual circumstances. A request for airport closure from a sponsor requires a demonstration that closure results in a net benefit to aviation. Because of the important role that this Airport plays, the FAA does not anticipate granting any request for release to allow closure of the Airport. The Airport is and will continue to be too valuable for that to occur.

Although the FAA recognizes that the City of Oceanside is a growing community and attractive to residential and commercial developers, the FAA does not accept the argument that non-aeronautical interests, now or in the future, justify the closure of the Airport so that it can be redeveloped for non-aeronautical uses. Due to the importance of the Oceanside Airport and the demand that exists for aeronautical services, the FAA would not concur with a release of any of the airport property so that it can be used for non-aeronautical purposes (i.e. residential, commercial). The City's apparent change in its priorities does not supersede its Federal obligations to keep the Airport open as an airport nor does its desire to utilize airport property to generate sales and property revenue for the benefit of the City justify the disposal of airport property for such a purpose. In any event, consistent with Federal obligations, the highest and best use of all of the land constituting the Airport is that it be used as an airport and for aeronautical purposes.

Although the City's plan for development of 40 hangars on the airport's south side and the potential increase in revenues of \$3.9 million for the Airport Enterprise Fund, is a step forward in accommodating local aviation needs, all of the airport property is obligated and valuable for current and future aeronautical uses. This is clearly depicted in the current Airport Layout Plan (ALP) and shown in the current Airport Master Plan, which includes development for up to 100 hangars, generating more than \$12 million over 25 years.

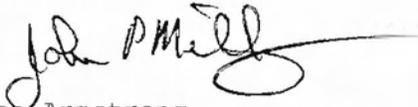
We also note that the City did not move forward with aeronautical development on the north side of the Airport - the location of federally funded property, apparently under the erroneous assumption that it could be used for non-aeronautical uses. The FAA will not concur with using that property for any other purpose but aeronautical. We understand that the City accepted a sale contract that gave the seller a right of first refusal to re-purchase that property from the City at the acquisition cost if the City did not develop the site for airport purposes within 5 years from the close of the sale. However, that provision is inconsistent with the purpose and conditions for the FAA's funding of the purchase of the land, and we would not release it for sale.

Of further concern to FAA is an apparent recent City practice of not soliciting or accepting proposals for Airport improvements or granting long-term leases to aeronautical tenants despite great demand. In addition, the City Council also voted in 2005 not to accept any more Federal or state grants for airport improvements. Such actions undermine the Airport's long-term utility and the benefits the Airport provides to the public.

I hope this letter clarifies the FAA's position on the future of the Oceanside Municipal Airport and corrects the misconception that City can close the Airport in 15-20 years. The FAA remains committed to the importance of the Oceanside Airport in the region, and we would welcome the opportunity to assist the City in developing the Oceanside Airport so it can continue to adequately serve the community's aviation needs.

If I can be of further assistance, please do not hesitate to contact me at (310) 725-3644.

Sincerely,



*for* Brian Armstrong  
Manager, Los Angeles Airports District Office

cc: Rocky Chavez, Deputy Mayor  
Jack Feller, Council member  
Esther C. Sanchez, Council member  
Jerome M. Kern, Council member